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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 8, 1999

APPLICATION OF

STATDIRECT, INC.

CASE NO. PUC980118

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 23, 1998, Statdirect, Inc. ("Statdirect" or "the Company") completed an application for certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated November 6, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Statdirect's application. On December 9, 1998, the Staff filed its report finding that Statdirect's application was in compliance with the Commission's Local Rules.

A hearing was conducted on December 17, 1998. Statdirect filed proof of publication and proof of service as required by the scheduling order dated November 6, 1998. At the hearing,

the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that Statdirect's application should be granted, subject to the conditions recommended by Staff and agreed to by the Company. These two conditions are as follows:

- (1) Any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines is no longer necessary.
- (2) The Company shall provide audited financial statements for its parent, 21st Century Care, to the Staff no later than one year from the effective date of its initial tariff.

Accordingly, IT IS THEREFORE ORDERED THAT:

- (1) Statdirect, Inc. hereby is granted a certificate of public convenience and necessity, No. T-427 to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, the recommendations of Staff as found above, and the provisions of this Order.
- (2) Statdirect shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.